

Appendix V

ECONOMIC DEVELOPMENT PROGRAMS AND GRANTS AVAILABLE IN OZAUKEE COUNTY

(See Part 2 in Chapter XII for Additional Programs)

Wisconsin Department of Commerce Programs

Industrial Revenue Bond (IRB) Program Overview

The Department of Commerce's Industrial Revenue Bond (IRB) Program allows all Wisconsin cities, villages and towns to support industrial development through the sale of tax-exempt bonds. The proceeds from the bond sale are loaned to businesses to finance capital investment projects at, primarily, manufacturing facilities. IRBs are municipal bonds, but not general obligations of the municipality. The company or business that will use the facilities provides the interest and principal payments on the loan. The local government is in partnership with the business, lending its name, but not its credit, to the bond issue.

Customized Labor Training (CLT) Program

The CLT program is designed to assist companies that are investing in new technologies or manufacturing processes by providing a grant of up to 50 percent of the cost of training employees on the new technologies. The program's primary goal is to help Wisconsin manufacturers maintain a workforce that is on the cutting edge of technological innovation. Any business making a commitment to locate a new facility in Wisconsin or expand an existing facility which is upgrading a product, process, or service that requires training in new technology and industrial skills is eligible.

Employee Ownership Assistance Grant Program (EOP)

The EOP program is designed to assist the employees of a distressed business obtain the professional services necessary to evaluate the feasibility of purchasing the business and operating as an employee-owned business. An EOP award may be made to a group formed by or on behalf of the current or former employees of an existing Wisconsin business that is considering or has experienced substantial layoffs or a plant closing. The applicant must intend to operate the business in Wisconsin as an employee-owned business.

Major Economic Development (MED) Program

The MED program is designed to assist businesses that will invest private funds and create jobs as they expand in or relocate to Wisconsin. To be eligible the project must involve significant capital investment relative to the State as a whole or involve the retention or creation of a significant number of jobs in the local government in which the project is located. Eligible activities include construction and expansion; working capital; and acquisition of existing businesses, land, buildings, and equipment.

Technology Development Fund (TDF)

The TDF program was established to help Wisconsin businesses research and develop technological innovations that have the potential to provide significant economic benefit to the State. Eligible applicants include any Wisconsin business or consortium. Eligible activities include research and development that will lead to new or significantly improved products or processes, have a high probability of commercial success within a relatively short time period (two to three years), and/or will provide significant economic benefit to Wisconsin. Only costs directly associated with the proposed research project are eligible, including salaries, professional services provided by independent third parties, equipment critical to the research project, and supplies and materials.

Technology Development Loan (TDL) Program

The TDL program was established to assist Wisconsin businesses that have developed technological innovations with the potential to provide significant economic benefit to the State. This program is designed to assist the business in bringing the new technology to commercialization. Any Wisconsin business or consortium can apply for TDL funds. Eligible activities include acquisition of land, buildings, and equipment; working capital; and new

construction. Although the Department of Commerce (Commerce) can provide up to 75 percent of eligible project costs, the actual amount of Commerce participation is dependent on factors such as commercial potential, economic impact, business viability, fund availability, collateral position available, and the amount of private funds leveraged.

Wisconsin Trade Project Program

The Wisconsin Trade Project Program offers individual matching grants up to \$5,000 to help small export-ready firms participate in international trade shows. Wisconsin businesses whose annual sales are less than \$25 million (including the annual sales of parent and subsidiary companies) that have developed a long-term export plan are eligible.

Business Employees' Skills Training (BEST) Program

The BEST program was established by the Wisconsin Legislature to help small businesses in industries that are facing severe labor shortages to upgrade the skills of their workforce. Under the BEST program, Commerce can provide applicants with a tuition reimbursement grant to help cover a portion of the costs associated with training employees. Eligible applicants include Wisconsin for-profit businesses that have 25 or fewer full-time employees or annual sales of less than \$2.5 million. Eligible industrial clusters include automation, agriculture/food products, biotechnology, information technology, manufacturing, medical devices, paper/forest products, printing, tourism, and childcare.

Certified Capital Companies (CAPCO) Program

The CAPCO Program created an investment pool directed toward small, high-growth companies with an annual income of no more than \$2 million and no more than 100 employees. To be eligible to receive investment from CAPCO a business must be headquartered in Wisconsin; be in need of venture capital and unable to obtain conventional financing; have no more than 100 employees (at least 75 percent of whom are employed in Wisconsin); have an average annual net income of not more than \$2.0 million during its two most recent fiscal years; have a net worth less than \$5.0 million; and not be engaged in predominately professional services or banking.

Dairy 2020 Early Planning Grant Program

The goal of the Dairy 2020 Early Planning Grant program is to encourage and stimulate the start-up, modernization, and expansion of Wisconsin dairy farms. Eligible applicants for the Dairy 2020 Early Planning Grant program include existing and start-up Wisconsin dairy producers. Proceeds from an award may only be used to cover the cost of having a qualified, independent third party provide the professional services necessary to assist the applicant in evaluating the start-up, modernization, or expansion of a dairy farm. Eligible professional services include activities that are necessary in order for the applicant to make a "go or no go" decision.

Milk Volume Production (MVP) Program

The MVP program is designed to assist dairy producers that are undertaking capital improvement projects that will result in a significant increase in Wisconsin's milk production. All dairy producers that are or will be located in Wisconsin and are planning capital investments that will result in significant long-term increases in Wisconsin's capacity to produce milk are eligible.

Eligible costs are limited to the cost of acquiring cows. Commerce will fund no more than \$500 for each cow to be added to the operation, with a maximum award of \$1 million. Commerce will seek to maximize the program's impact by participating with dairy producers that can document a need for near-equity financing and demonstrate the management skills necessary to make the project successful.

State of Wisconsin Investment Board (SWIB)

The SWIB is a State agency that invests one of the largest pension funds in the world. It directs a portion of its private debt investments to Wisconsin companies. The SWIB provides long-term financing as a complement to short-term bank lending. Both debt and mezzanine financing are available. Mezzanine financing takes the form of a subordinate loan supplemented by warrants or company stock. The loan generally has a five-year maturity.

Typically the interest rate is 10 to 12 percent. Total return should be about 16 percent. Approved loans usually run 10 to 15 years. Loans are generally used to finance long-term business needs, such as purchasing fixed assets or refinancing short-term or long-term obligations. Fixed assets are often used as collateral. In some cases, a parent corporation may guarantee the loan. In other cases, a personal guarantee of the owner or major shareholders may be used.

Minority Business Development Fund

The Minority Business Development Fund offers low-interest loans for start-up, expansion, or acquisition projects. To qualify for the fund, a business must be 51 percent controlled, owned, and actively managed by minority-group members, and the project must retain or increase employment.

Small Business Innovative Research (SBIR)

The SBIR provides funding for higher risk, early-stage products and technologies. The SBIR program was established to stimulate technological innovation, use small businesses to meet Federal research and development (R&D) needs, encourage the participation of disadvantaged and minority persons in technological innovation, and increase private sector development through Federal sponsorship.

The SBIR program allows small businesses to compete for Federal R&D funds. Small businesses must meet certain eligibility criteria to participate in the SBIR program:

- At least 51 percent American-owned, located in the U.S., and independently operated
- For profit
- Company size limited to 500 employees
- Principal researcher primarily employed by business at time of award and not employed full time by another institution or company
- All work must be done in the U.S.

Small Business Technology Transfer (STTR)

The STTR program is a joint research effort between a small business and a nonprofit research institution or Federally funded R&D center (FFRDC). The STTR provides funding for higher risk, early-stage products and technologies. The STTR program was established to enable small businesses to partner with a nonprofit research institution, such as a university or Federal R&D center, to bring innovative technologies to market.

Small businesses must meet certain eligibility criteria to participate in the STTR Program:

- American-owned and independently operated
- For profit
- Principal researcher need not be employed by small business
- Company size limited to 500 employees
- The small business must perform at least 40 percent of the STTR project

The nonprofit research institution must also meet certain eligibility criteria:

- Located in the U.S.
- Meet one of three definitions: nonprofit college or university, domestic nonprofit research organization, or FFRDC
- The research institution must perform at least 30 percent of the project
- There must be a written intellectual property agreement in place at the time of award
- All work must be done in the U.S.

Wisconsin Entrepreneurs' Network (WEN) Programs

Technology Assistance Grant (TAG)

The TAG program aids small Wisconsin high-technology businesses in their efforts to obtain seed, early-stage, or research and development funding. Eligible project costs are professional services involved in the preparation and review of a Federal R&D grant application; in obtaining industry information, data or market research needed to complete applications for R&D or early-stage funding; or in meeting specific requirements to obtain seed or early-stage funding from outside sources.

Early Planning Grant (EPG)

The EPG program is designed to help individual entrepreneurs and small businesses throughout Wisconsin obtain the professional services necessary to evaluate the feasibility of a proposed business start up or expansion. Under the EPG program, the WEN, with funding from the Wisconsin Department of Commerce, can provide applicants with a grant to help cover a portion of the cost of hiring an independent third party to develop a comprehensive business plan.

Entrepreneurial Training Program (ETP) Grant

The ETP is a course offered through the Small Business Development Center (SBDC) providing prospective and existing business owners with expert guidance through business plan development.

Wisconsin Housing and Economic Development Authority (WHEDA) Programs

WHEDA Small Business Guarantee (WSBG)

WHEDA Small Business Guarantee can be used for expenses of land, buildings, equipment, and inventory associated with the expansion or acquisition of a small business (50 or less full-time employees). The guarantee is limited to 80 percent of these costs or \$200,000. This program can finance a mixed-use project if the business occupies at least half of the building. The program is for the start-up of a small business in a vacant storefront in the downtown area of a rural community. A rural community is defined as a city, village, or town with a population of 12,000 or less, or a city, village, or town that is located in a county with a population density of less than 150 persons per square mile. All local governments in Ozaukee County except the City of Mequon are eligible for this program.

The Linked Deposit Loan (LiDL)

The LiDL is a program offering women and minority owned and operated businesses a two-year interest rate subsidy on the portion of a new bank loan of \$10,000 to \$99,000 that covers land, buildings, and equipment. At least 50 percent of the business must be owned by a woman or ethnic minority group member, or more than 50 percent of the business must be controlled by a woman or ethnic minority group member to be eligible. In addition, the business must employ 25 or fewer full-time equivalent employees at the time of application, and the business (along with affiliates, subsidiaries, and parent company) must have gross annual sales of \$500,000 or less.

Other Programs

The Wisconsin Department of Workforce Development

The Wisconsin Department of Workforce Development (DWD) is the State agency charged with building and strengthening Wisconsin's workforce. DWD offers a wide variety of employment programs and services, accessible at the State's Workforce Development Centers, including securing jobs for the disabled, assisting former welfare recipients to transition to work, connecting youth with jobs, protecting and enforcing worker's rights, processing unemployment claims, and ensuring that worker's compensation claims are paid in accordance with the law. There is a Workforce Development Center located in the City of Mequon.

U.S Small Business Administration (SBA)

The mission of the SBA is to maintain and strengthen the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from National disasters.

The Wisconsin Women's Business Initiative Corporation (WWBIC)

The WWBIC is an economic development corporation providing quality business education, technical assistance, and access to capital for entrepreneurs. WWBIC consults, educates, and mentors owners of small and micro businesses throughout Wisconsin with a focus on women, people of color, and those of lower incomes. The WWBIC is partially funded by a grant from the SBA and by donations from corporate sponsors, foundations, and private contributors. WWBIC receives money from the SBA's Micro Loan Program and its Office of Women's Business Ownership.

Freight Railroad Infrastructure Improvement Program

The Freight Railroad Infrastructure Improvement Program is administered by the Wisconsin Department of Transportation and awards loans to businesses or communities wishing to rehabilitate rail lines, advance economic development, connect an industry to the existing railroad system, or to make improvements to enhance transportation efficiency, safety, and intermodal freight movement.

Transportation Economic Assistance (TEA)

The Transportation Economic Assistance (TEA) program is administered by the Wisconsin Department of Transportation and provides 50 percent grants to governing bodies, private businesses, and consortiums for road, rail, harbor, and airport projects that help attract employers to Wisconsin, or encourage business and industry to remain and expand in the State. Grants of up to \$1 million are available for transportation improvements that are essential for an economic development project. It must begin within three years, have the local government's endorsement, and benefit the public. The program is designed to implement an improvement more quickly than the normal State transportation programming process would allow. The 50 percent local match can come from any combination of local, Federal, or private funds or from in-kind services.

Brownfield Remediation Programs

The Wisconsin Department of Natural Resources (WDNR) and the Wisconsin Department of Commerce have compiled a guide to provide information on options to help finance brownfield cleanup and redevelopment entitled *Brownfields Remediation Guide*. The guide is divided into sections on grants, reimbursements, loans, tax incentives, and waterfront revitalization programs. Each section includes a one-page summary about its programs, including detailed information about who may apply and eligibility criteria. The guide also includes a list of brownfield related websites, including the WDNR Remediation and Redevelopment Program Website, <http://dnr.wi.gov/org/aw/rr/index.htm>. The site includes information and application forms for many of the programs listed here and contact information for ordering publications. Remediation programs outlined in the guide include:

- **Grants**
 - Blight Elimination and Brownfield Redevelopment (BEBR) Grants
 - Brownfield Economic Development Initiative (BEDI) Grants
 - Brownfield Green Space and Public Facilities Grants
 - Brownfield Site Assessment Grants (SAG)
 - Community Development Block Grants (CBDG)
 - Coastal Management Grants
 - Federal Brownfields Assessment Grants
 - Federal Brownfields Site Cleanup Grants
 - Federal Brownfields Revolving Loan Fund (RLF) Grants
 - Local Transportation Enhancements (TE) Program
 - Ready for Reuse Revolving Loan Fund – Grants
 - Stewardship Grants
 - Transportation Economic Assistance (TEA) Grants

- **Reimbursement Programs**
 - Agricultural Chemical Cleanup Program (ACCP)
 - Dry Cleaner Environmental Response Fund (DERF)
 - Local Government Cost Recovery
 - Local Governments Reimbursement Program
 - Petroleum Environmental Cleanup Fund Award (PECFA)

- **Loans and Loan Guarantees**
 - Land Recycling Loan Program
 - Ready for Reuse Revolving Loan Fund
 - State Trust Fund Loan Program
 - Section 108 Loan Guarantee
 - Small Business Administration Loans

- **Tax Credits and Incentives**
 - Agricultural Development Zone Program Tax Credits
 - Business Improvement Districts
 - Cancellation of Delinquent Property Taxes
 - Community Development Zone Program Tax Credits
 - Enterprise Development Zones
 - Environmental Remediation Tax Incremental Financing (ERTIF)
 - Comparison of Regular and Environmental Remediation TIF Districts
 - Federal Brownfields Tax Incentive
 - Historic Preservation Income Tax Credits
 - New Market Tax Credits
 - Reassignment of Foreclosure Judgment
 - Tax Increment Financing (TIF)